

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Nancey Harrington at 10:45 a.m. on February 13, 2003 in Room 245-N of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Ed Van Petten, Executive Director, Kansas Lottery

Others attending: Please see attached.

Chairperson Harrington opened the meeting by asking staff to come forward in regard to a question from a previous meeting.

Mr. Mills presented an e-mail from Jeff Russell, Director of Legislative Services, explaining that the minimum cost of a bill is about \$152. ([Attachment 1](#))

Sally Pritchett, Director, Kansas Real Estate Appraiser's Board, asked for the introduction of two bills. The first was in regard to closed meetings during investigative hearings, and the second was about giving investigative powers ([Attachment 2](#)) ([Attachment 3](#))

Senator Gooch made a motion to introduce both bills. Senator Gilstrap seconded the motion. The bills were introduced.

Ed Van Petten, Executive Director, Kansas Lottery, asked for the introduction of a bill to eliminate the requirement for retailers' certificates; it would amend current law relating to monies and lottery transfers. ([Attachment 4](#))

Mr. Van Petten also presented testimony to the committee regarding the status of the Lottery. ([Attachment 5](#))

Senator Vratil made a motion to introduce Mr. Van Petten's bill. Senator Gooch seconded the motion. The bill was introduced.

Senator Gooch asked Mr. Van Petten how he saw the lottery market being affected by Indian gaming.

Mr. Van Petten said that there was some affect when the casinos first came into being in the areas around them. He stated that the effect seems minimal; sometimes when people come to pick up their winning checks, they ask for directions to the casinos.

Senator Gooch asked if the downward trend in employment and the economy has had any affect.

Mr. Van Patten replied that at the beginning of the year, sales were sluggish, but that they had picked up and the lottery had changed its marketing strategy to selling higher priced tickets with higher wins to generate sales. He said that the Lottery was not marketing to lower middle class people and that it was packaging tickets to give as holiday gifts.

Senator Teichman asked what "muscle" games are.

CONTINUATION SHEET

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Mr. Van Petten stated that muscle games are multi-state lotteries. Following further discussion, Mr. Van Petten introduced the members of his staff.

Chairperson Harrington commented that when Mr. Van Petten first came into the Lottery, there was a great deal of controversy, especially around advertising, and that since he has been there she had heard nothing, about which she was very happy.

Senator Gooch asked if there were any methods to educating people about how to play these games.

Mr. Van Petten explained that there was a pamphlet that had been developed by the lottery, but that even when they were distributed to retailers, those retailers did not necessarily put them out for people.

The committee discussed expectations for compliance and oversight for the Lottery. Senator Lyon stated that although he was not a huge fan of the Lottery, he did wish to compliment Mr. Van Petten on his professionalism and on his assurances to committee members that the buck stops here with any offensive advertisement.

Mr. Mills presented the committee with a summary of the Kansas Lottery prepared by Legislative Research. (Attachment 6)

The meeting was adjourned at 11:48 a.m.